



Overseas Private Investment Corporation (OPIC)



Iraq – Opportunities for U.S. Businesses

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Introduction to OPIC

- Independent agency of the U.S. government
- Established in 1971
- Mission: Facilitate and support U.S. private investment in developing countries
- Offers financial products to help U.S. companies access new markets where private capital may be difficult to obtain
- Supports commercially-viable projects on commercial terms



OPIC Products

- **Political Risk Insurance**
 - Protects investors against a variety of risks
- **Long-term financing**
 - Provides loans and loan guaranties
- **Investment Funds**
 - Supports private equity funds that invest in projects abroad

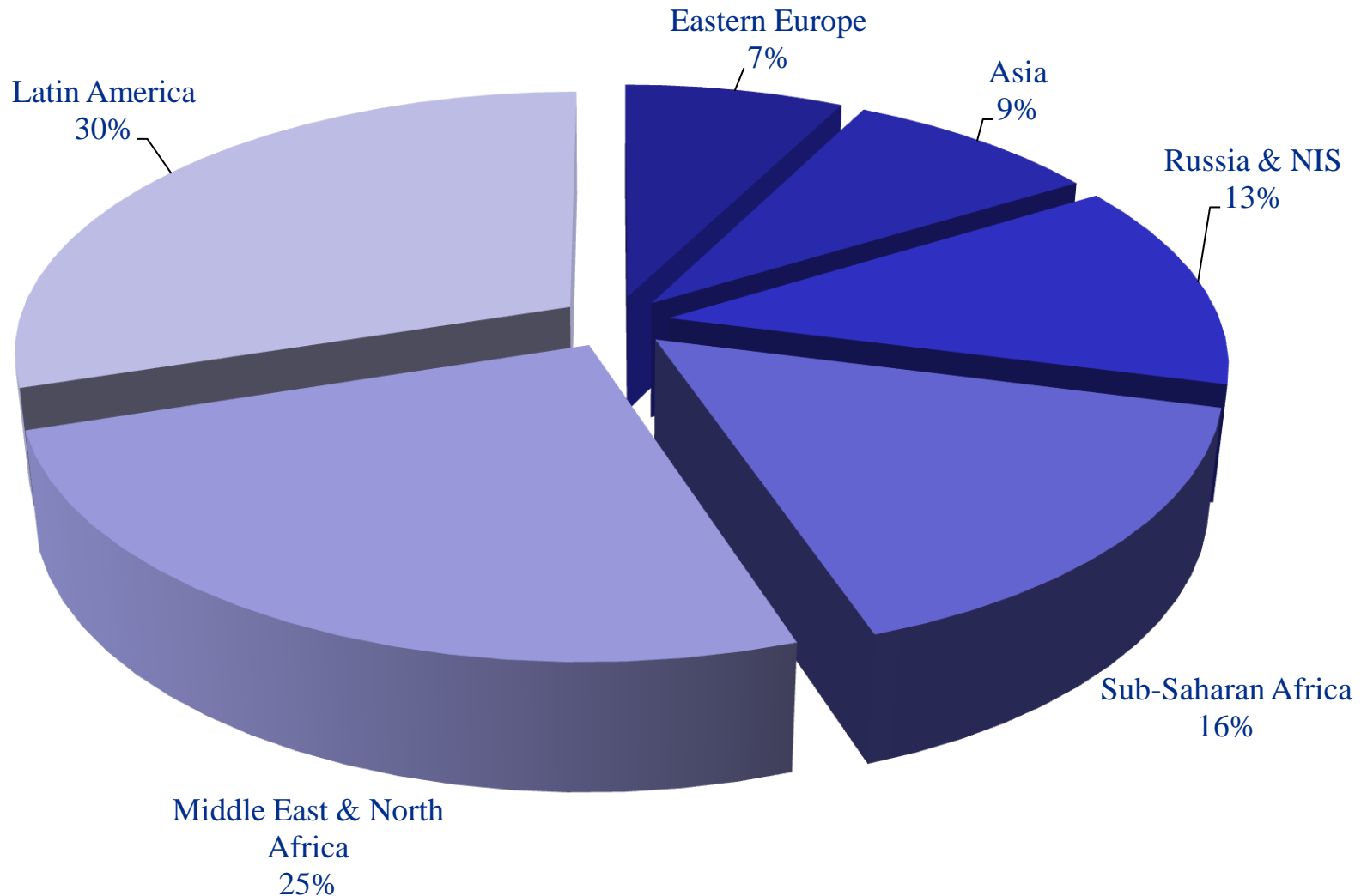


What are the benefits of OPIC?

- Opens and expands markets for U.S. businesses
 - Since 1971, has generated \$72 billion in U.S. exports and supported more than 273,000 American jobs.
 - Helping companies access markets in over 150 countries.
- Promotes sustainable development abroad
 - Since 1971, supported \$188 billion worth of investment in diverse sectors such as infrastructure, renewable energy, and housing.
 - Supporting reconstruction in places like Iraq, Afghanistan, etc.
- Supports U.S. best practices
 - Projects must have no adverse effects on the host country's development or environment
 - Must uphold internationally-recognized human and worker rights
 - Cause no loss of U.S. jobs or adverse impact on the U.S. economy
- OPIC is self-sustaining = no net cost to taxpayers



OPIC Around the World



OPIC Finance

- Financing based on Total Project Cost:
 - Total Project Cost includes land acquisition, construction, equipment, overseas working capital, etc.
- Direct loans and loan guaranties
 - Direct loans reserved for small and medium-sized investors/companies that own at least 25% of the project.
 - Loan guaranties require other significant long-term U.S. participation in the project.
- Repayment through project cash flow



Eligibility and Terms

- Finance up to 60% of the total project cost
 - Up to 75% of the cost to expand an existing project
- Sponsors should raise remaining funds in equity
- Sponsors/management must have experience in the same or a similar industry



- Loans from \$100,000-\$250 million
- Loan tenors from 5-15 years
- Small Business Center (SBC) offers specialized, streamlined loans for U.S. businesses with annual revenues under \$35 million

OPIC Investment Funds

- OPIC supports the creation of privately-owned and managed investment funds with debt capital
- These funds make direct equity & equity-related investments in new, expanding, or privatizing companies abroad
- These funds have a regional or sector focus
- Funds can be contacted directly:

<http://www.opic.gov/investment-funds/full-list>



OPIC Political Risk Insurance

- Protects against three political risks:
 - Political Violence
 - Currency Inconvertibility
 - Expropriation
- The need for political risk insurance:
 - Cover possible damage or loss to tangible assets, the value of investment, or earnings
 - Obtain or attract financing in the face of risk
 - Deter long-term losses through OPIC advocacy



Eligibility and Terms

- Available to U.S. investors, contractors, exporters, financial institutions, and NGOs
- Coverage for various types of investment:
 - Equity, debt, leases, technical assistance agreements, performance/advance payment guaranties, contracts with a foreign government



- Coverage up to 90% of investment
- Up to \$250 million per project, no minimum
- Up to 20-year tenors, fixed premium

Contractors & Exporters Coverage

Insures U.S. contractors in international construction, sales or services and U.S. exporters of heavy machinery, equipment or other goods

- **Loss of Physical Assets/Bank Accounts** due to Inconvertibility, Political Violence, Expropriation
- **Disputes Coverage** for any contractual dispute between the Insured and the Buyer (typically a foreign government agency)
- **Wrongful Calling** of bid, performance or advance payment guaranties, customs bonds, and other guaranties





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